



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

National Interstate Insurance Company

NAIC Group Code 0084 0084 NAIC Company Code 32620 Employer's ID Number 34-1607395

(Current Period) (Prior Period)

Organized under the Laws of OHIO, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated February 10, 1989 Commenced Business March 28, 1989

Statutory Home Office 3250 Interstate Drive, Richfield, Ohio 44286

(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 3250 Interstate Drive, Richfield, Ohio 44286 800-929-1500 -307

(Street and Number, City or Town, State and Zip Code)

(Area Code) (Telephone Number)

Mail Address 3250 Interstate Drive, Richfield, Ohio 44286

(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 3250 Interstate Drive, Richfield, Ohio

(Street and Number, City or Town, State and Zip Code)

800-929-1500 -307

(Area Code) (Telephone Number)

Internet Website Address www.nationalinterstate.com

Statement Contact Gary Norman Monda 330-659-8900 -307

(Name)

(Area Code) (Telephone Number) (Extension)

gary.monda@nationalinterstate.com

(E-Mail Address)

(Fax Number)

Policyowner Relations Contact 3250 Interstate Drive, Richfield, Ohio 44286

(Street and Number, City or Town, State and Zip Code)

330-659-8900 -123

(Area Code) (Telephone Number) (Extension)

OFFICERS

President Alan Robert Spachman
Secretary #Michael Andrew Schroeder
Treasurer Arthur Myron Kraus

VICE PRESIDENTS

Gary Norman Monda
Arthur Myron Kraus
#Michael Andrew Schroeder

Terry Eugene Phillips
David Warner Michelson

Robert Adrian Bernatchez
Eric Juris Raudins

DIRECTORS OR TRUSTEES

Gary Norman Monda
Robert Adrian Bernatchez
Arthur Myron Kraus
Ronald George Steiger, Jr.
#Michael Andrew Schroeder

Alan Robert Spachman
Bradley Scott Schneeberger
Michelle Ann Silvestro
Edward Jeffrey Masch

David Warner Michelson
Eric Juris Raudins
Terry Eugene Phillips
William Joseph Hobbs

State of Ohio

SS

County of Summit

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Alan Robert Spachman
President

#Michael Andrew Schroeder
Secretary

Arthur Myron Kraus
Treasurer

Subscribed and sworn to before me this
9th day day of November, 2002

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	70,512,305		70,512,305	57,041,247
2. Stocks:				
2.1 Preferred stocks	7,606,105		7,606,105	6,539,263
2.2 Common stocks	8,433,109		8,433,109	8,951,580
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	10,055,318		10,055,318	4,908,779
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ (1,237,047)) and short-term investments (\$ 11,310,441)	10,073,394		10,073,394	14,028,703
6. Other invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	106,680,231		106,680,231	91,469,572
10. Agents' balances or uncollected premiums :				
10.1 Premiums and agents' balances in course of collection	2,426,521		2,426,521	2,196,218
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	33,762,509	775,000	32,987,509	24,320,207
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts billed and receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments	3,744,169		3,744,169	776,840
15. Federal and foreign income tax recoverable and interest thereon (including \$ 4,880,731 net deferred tax asset)	4,880,731		4,880,731	3,546,897
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	70,810		70,810	114,941
18. Interest, dividends and real estate income due and accrued	1,038,030		1,038,030	989,038
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
21. Amounts due from/to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted	134,738	134,738		
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding protected cell assets (Lines 9 through 25)	152,737,739	909,738	151,828,001	123,413,713
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	152,737,739	909,738	151,828,001	123,413,713
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 19,722,608)	42,438,984	33,264,891
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	16,322,914	12,312,621
4. Commissions payable, contingent commissions and other similar charges	1,001,492	1,376,827
5. Other expenses (excluding taxes, licenses and fees)	6,204,856	4,610,767
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,180,667	938,586
7. Federal and foreign income taxes, including \$ on realized capital gains (losses) (including \$ net deferred tax liability)	(852,439)	409,283
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 12,927,633 and including warranty reserves of \$)	39,186,925	28,840,571
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	10,321,350	6,320,247
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	1,118,120	565,872
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	189,603	582,414
20. Payable for securities		210,068
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	117,112,472	89,432,147
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	117,112,472	89,432,147
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	3,000,000	3,000,000
29. Preferred capital stock	7,608,779	7,608,779
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	24,106,750	23,372,787
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		
34.2 shares preferred (value included in Line 29 \$)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	34,715,529	33,981,566
36. TOTALS	151,828,001	123,413,713
DETAILS OF WRITE-INS		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 83,404,418)	72,272,534	60,448,970	82,691,624
1.2 Assumed (written \$ 10,199,606)	9,367,222	7,522,675	10,198,427
1.3 Ceded (written \$ 29,305,428)	27,687,514	21,699,684	30,481,416
1.4 Net (written \$ 64,298,596)	53,952,242	46,271,961	62,408,635
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 28,014,788):			
2.1 Direct	31,620,455	34,395,037	44,654,546
2.2 Assumed	3,983,832	3,562,438	3,988,883
2.3 Ceded	8,414,243	9,706,967	13,754,308
2.4 Net	27,190,044	28,250,508	34,889,121
3. Loss expenses incurred	8,895,981	7,549,779	11,440,695
4. Other underwriting expenses incurred	15,784,053	14,665,807	18,664,627
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	51,870,078	50,466,094	64,994,443
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	2,082,164	(4,194,133)	(2,585,808)
INVESTMENT INCOME			
9. Net investment income earned	3,071,162	2,462,326	3,389,492
10. Net realized capital gains (losses)	81,109	457,759	506,392
11. Net investment gain (loss) (Lines 9 plus 10)	3,152,271	2,920,085	3,895,884
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	969,159	11,156	42,590
15. Total other income (Lines 12 through 14)	969,159	11,156	42,590
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 plus 11 plus 15)	6,203,594	(1,262,892)	1,352,666
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	6,203,594	(1,262,892)	1,352,666
19. Federal and foreign income taxes incurred	2,475,378	22,658	730,188
20. Net income (Line 18 minus Line 19) (to Line 22)	3,728,216	(1,285,550)	622,478
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	33,981,566	21,106,069	21,106,069
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	3,728,216	(1,285,550)	622,478
23. Net unrealized capital gains or losses	(4,180,837)	(516,101)	(131,743)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	1,333,834	887,294	685,744
26. Change in nonadmitted assets	(147,250)	(25,811)	(500,914)
27. Change in provision for reinsurance			
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		7,291,153	7,291,153
31. Capital changes:			
31.1 Paid in			
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in			
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			4,908,779
37. Change in surplus as regards policyholders (Lines 22 through 36)	733,963	6,350,985	12,875,497
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	34,715,529	27,457,054	33,981,566
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Other fees	109,798	11,156	42,590
1402. Rent income	859,361		
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	969,159	11,156	42,590
3601. Contribution of real estate net of encumbrances from parent company			4,908,779
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above)			4,908,779

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	59,338,094	65,815,860
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	25,868,968	30,342,063
3. Underwriting expenses paid	14,323,218	18,067,363
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	19,145,908	17,406,434
6. Net investment income	3,423,207	3,288,302
7. Other income (expenses):		
7.1 Agents' balances charged off		
7.2 Net funds held under reinsurance treaties		
7.3 Net amount withheld or retained for account of others	552,248	278,612
7.4 Aggregate write-ins for miscellaneous items	1,222,440	152,423
7.5 Total other income (Lines 7.1 to 7.4)	1,774,688	431,035
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	(3,737,100)	896,488
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	20,606,703	22,022,259
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	16,657,743	23,918,828
11.2 Stocks	402,906	2,368,650
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Lines 11.1 to 11.7)	17,060,649	26,287,478
12. Cost of investments acquired (long-term only):		
12.1 Bonds	30,046,590	40,859,754
12.2 Stocks	5,534,252	4,136,845
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications	210,068	(210,068)
12.7 Total investments acquired (Lines 12.1 to 12.6)	35,790,910	44,786,531
13. Net cash from investments (Line 11.8 minus Line 12.7)	(18,730,261)	(18,499,053)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$ less amounts repaid \$		
14.3 Net transfers from affiliates		
14.4 Borrowed funds received		
14.5 Other cash provided		75,556
14.6 Total (Lines 14.1 to 14.5)		75,556
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	392,811	529,917
15.3 Borrowed funds repaid	5,207,354	
15.4 Other applications	231,586	19,137
15.5 Total (Lines 15.1 to 15.4)	5,831,751	549,054
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(5,831,751)	(473,498)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(3,955,309)	3,049,708
18. Cash and short-term investments:		
18.1 Beginning of year	14,028,703	10,978,995
18.2 End of period (Line 17 plus Line 18.1)	10,073,394	14,028,703
DETAILS OF WRITE-INS		
7.401 Other Income	969,159	30,096
7.402 Depreciation	253,281	122,327
7.403		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page		
7.499 Totals (Lines 7.401 through 7.403 plus 7.498) (Line 7.4 above)	1,222,440	152,423

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Annual Statement of National Interstate Insurance Company has been prepared in accordance with the NAIC *Accounting Practices and Procedures* manual.

The preparation of financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual requires management to make estimates and assumptions that affect amounts reported as assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Policy

Premiums that are written under the Company's insurance policies and reinsurance contracts are earned over the terms of the related policies and contracts on a daily pro rata basis. Unearned reserves are liabilities established, as the portion of premiums written that have not yet been earned.

Unlike the recognition of premiums revenue, expenses incurred while producing new insurance business such as commissions and premium taxes are charged to operations as incurred and ceding allowances received or receivable are credited to operations through reductions in expenses incurred.

In addition, the Company uses the following accounting policies:

Short-term investments are stated at amortized cost.

Bonds are stated at amortized cost using the interest method.

Common stock in National Interstate Insurance Company of Hawaii, Inc. (a wholly owned subsidiary) is carried on the equity basis; common stock in National Interstate Corporation (parent company) is valued at \$0; all other common stocks are carried at market.

Preferred stocks are carried at market.

Unpaid losses and loss adjustment expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred. The Company does not discount loss and loss adjustment expense reserves. The reserves for unpaid losses and loss adjustment expenses include an amount determined using individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates and the ultimate liability may be in excess of or less than the amounts provided, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are reflected in the period determined.

Estimated salvage and subrogation recoverable have not reduced outstanding losses and loss adjustment expenses. Such amounts, which are not significant, are recognized when received.

2. Accounting changes

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled therein prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001.

Accounting changes adopted to conform to provisions of the NAIC *Accounting Practices and Procedures* manual – version effective January 1, 2001 are reported as changes in accounting principal. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased unassigned funds (surplus) of \$7,291,153. Included in this total adjustment is an increase in unassigned funds of \$2,861,153 related to the reporting of deferred tax assets and \$4,430,000 related to the elimination of excess of statutory reserves over statement reserves.

3. Business Combinations and Goodwill

The Company has never engaged in a business combination.

4. Discontinued Operations

To date, the Company has never discontinued one of its insurance operations.

NOTES TO FINANCIAL STATEMENTS

5. Investments

The Company’s investment portfolio does not include mortgage loans, restructured debt, reverse mortgages, loan-backed securities or repurchase agreements.

6. Joint Ventures, Partnerships and Limited Liability companies

The Company does not invest in any of these types of ventures.

7. Investment Income

The company’s due and accrued investment income is current and therefore, none is excluded.

8. Derivative Instruments

The Company does not invest in derivative instruments.

9. Income Taxes

The components of net deferred taxes (all assets) are as follows:

	<u>2002</u>	<u>2001</u>
Total deferred tax asset (all admitted)	<u>\$4,880,731</u>	<u>\$3,546,897</u>

The only component of current income taxes incurred as reported in the Statement of Income is current income tax expense.

The main components of the 2002 and 2001deferred tax asset amounts are as follows:

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
2001 deferred tax asset:				
Reserves (primarily loss and unearned premiums)	<u>\$74,418,083</u>	<u>\$63,986,033</u>	<u>\$10,432,050</u>	<u>\$3,546,897</u>
2002 deferred tax asset:				
Reserves (primarily loss and unearned premiums)	<u>\$103,790,573</u>	<u>\$89,435,480</u>	<u>\$14,355,093</u>	<u>\$4,880,732</u>

Among the more significant book to tax adjustments for the nine months ended September 31, 2002 and the year ended December 31, 2001and following:

	<u>December 31, 2001</u>		<u>September 30, 2002</u>	
	<u>Amount</u>	<u>Tax Effect</u>	<u>Amount</u>	<u>Tax Effect</u>
Income(loss) before taxes	\$1,352,666	\$501,906	\$4,454,533	\$1,514,541
Book over tax reserves	2,216,226	753,517	3,923,042	1,333,834
Tax exempt interest expense	(488,820)	(166,199)	(342,454)	(116,435)
Dividend received deduction	(144,264)	(49,050)	(131,249)	(44,625)
Other	(911,726)	(309,987)	(623,349)	(211,939)
Taxable Income	\$2,024,082	\$730,188	\$7,280,523	2,475,378

The following are income taxes incurred in the current years that will be available for recoupment: in future years:

2001	\$730,188
2000	1,296,068
1999	937,660

The Company files its Federal income tax returns with its parent and its parent’s other wholly owned subsidiaries. A written agreement between companies calls for allocation of income taxes to companies in the group, which have taxable income.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

The company’s parent company, National Interstate Corporation (Corporation) is a 58% owned subsidiary of Great American Insurance Company. The Company is the parent (100%) of National Interstate Insurance Company of Hawaii, Inc.

The company has a management services agreement with National Interstate Insurance Agency, Inc (Agency) whereby Agency receives a fee for rendering administrative services to the Company. Fees paid in 2002, which are based on cost of services under this agreement, amounted to \$ 1,120,000.

On December 31, 2001, Corporation donated its real estate, which consisted of an office building occupied by the Company to the Company as additional paid in capital. Net of encumbrances, the book value to the building was \$4,908,779 at December 31, 2001.

At September 30, 2002 the Company had the following inter-company receivables and (payables):

National Interstate Corporation	\$ 6,126,602
Hudson Indemnity, Ltd.	(3,637,526)
National Interstate Insurance of Hawaii, Inc.	(58,837)
Other	<u>(2,119,842)</u>
	\$ <u>(189,603)</u>

11. Debt

The company acquired debt in connection the transfer of real estate from Corporation on December 31,2001 in the amount of \$5,207,354. This debt was retired in September 2002.

12. Retirement Plans

The Company has no such plans at September 30, 2002.

13. Capital and Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

The company had 100,000 common shares issued and outstanding at September 30, 2002.

No preferred shares are authorized.

The payment of dividends by Ohio domiciled insurance companies, without the prior approval of the Superintendent of Insurance, is limited of the greater of 10% of statutory surplus as of the prior year end or net income for the prior year. The Ohio Insurance Holding Company law requires an insurance company’s surplus be reasonable in relation to it liabilities and adequate for its financial needs following any dividend that it may pay to its parent. The maximum dividend payment that may be made without prior approval in 2002 is \$3,398,157. The Company has no regular dividend payment schedule.

Unassigned funds (surplus) at September 30, 2002 was reduced by unrealized capital losses on unaffiliated common and preferred stocks of \$1,163,837, unrealized capital losses on common stock investment in Corporation of \$3,589,300 and other nonadmitted assets of \$909,738.

The company does not issue surplus notes.

No quasi-reorganizations were made in 2002 or any prior year.

14. Contingencies

The Company has no contingent liabilities at September 30, 2002 and has no reserves committed to cover unknown contingencies.

15. Leases

The company leases approximately 9,600 square feet of office space in Honolulu, Hawaii under a lease that expires in 2003. The Company’s lease commitment under this lease is \$143,180 in 2002 and \$11,932 in 2003.

NOTES TO FINANCIAL STATEMENTS

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

The company does not invest in these types of financial instruments

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.

None

18. Gain or Loss from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company does not sell A&H Insurance programs.

19. Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators

The Company does not do business through managing general agents or third party administrators.

20. Other Items

The company has had no extraordinary items to report in 2002 and 2001, nor has it been involved with any troubled debt restructuring in either year.

Investments with a fair valued of \$6,031,515 at December 31, 2001 were on deposit with government authorities or trustees as required by law.

21. Events Subsequent

The company has no Type I or Type II subsequent events to report.

22. Reinsurance

The following table shows details of unsecured reinsurance recoverable at December 31, 2001 that exceed 3% of the company’s policyholder surplus. The balances at June 30, 2002 were not materially different.

Reinsurer	NAIC COMPANY CODE	FEDERAL ID NUMBER	UNSECURED AGGREGATE RECOVERABLE
General Reinsurance Corporation	22039	13-2637100	\$3,695,000
Great American Insurance Company	16691	31-0501234	7,169,000
St. Paul Re	24767	41-0406690	2,621,000
National Fire Insurance Company of Pittsburgh	19445	25-0687550	1,764,000
Swiss Reinsurance America Corporation	25364	13-1675535	1,390,000

The company has no reinsurance in dispute nor does it deem any of its reinsurance recoveries to be uncollectible. The company has not entered any agreements in 2002 and 2001 that would result in the commutation of ceded reinsurance. The company does not have any retroactive reinsurance agreements.

Had reinsurance agreements with ceding commissions been canceled by either the Company or the reinsurer at December 31, 2001, the maximum return ceding commission to nonaffiliated reinsurers would have been \$661,642 and to affiliated reinsurers \$1,4825,712.

23. Retrospectively rated contracts & contracts subject to Redetermination

The company has not entered any contracts that are retrospectively rated or subject to redetermination.

NOTES TO FINANCIAL STATEMENTS

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$2,419,000 in 2001 and \$742,000 in 2002 through September 30. These increases are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements

The Company does not participate in intercompany pooling arrangements.

26. Structured Settlements

The company rarely enters structured settlements, and in 2002 and 2001 entered none.

27. High Deductibles

Although the company writes commercial auto policies with deductible of various sizes, it does not write policies that have high deductibles.

28. Discounting of Liabilities for Unpaid Losses and Loss Adjustment Expenses

The Company does not discount its liabilities for unpaid loss and loss adjustment expenses.

29. Asbestos/Environmental Reserves

The company primarily writes auto insurance both commercial and private passenger, and has never written a policy that insured against asbestos or other environmental risks.

30. Subscriber Savings Accounts

This note is not applicable to the Company.

31. Financial Guaranty Insurance Exposures

Policies issued by the Company do not include financial guarantee coverage.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes () No (X)
- 1.2

If yes, explain:
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes () No (X)
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes () No ()
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 3.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?

If yes, attach an organizational chart.

Yes (X) No ()
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 5.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

<div>1</div> <div>Name of Entity</div>	<div>2</div> <div>NAIC Company Code</div>	<div>3</div> <div>State of Domicile</div>

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes () No () N/A (X)
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1998
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1998
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/06/2000
- 7.4

By what department or departments?

Ohio Department of Insurance
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes () No (X)
- 8.2

If yes, give full information

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes () No (X)

9.2 If yes, explain

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes () No (X)

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

12. Amount of real estate and mortgages held in short-term investments: \$

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes (X) No ()

13.2 If yes, please complete the following:

	¹ Prior Year-End Statement Value	² Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$	\$
13.23 Common Stock	\$ 4,701,227	\$ 5,121,992
13.24 Short-Term Investments	\$	\$
13.25 Mortgages, Loans or Real Estate	\$	\$
13.26 All Other	\$	\$
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	\$ 4,701,227	\$ 5,121,992
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$	\$
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$	\$

14.1 Does the reporting entity have any hedging transactions reported on schedule DB? Yes () No (X)

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No ()

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

¹ Name of Custodian(s)	² Custodian Address
National City Bank	629 Euclid Avenue, Cleveland, Ohio 44114-3484
KeyBank National Association	P.O. Box 6717, Cleveland, Ohio 44101-1717

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

¹ Name(s)	² Location(s)	³ Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes () No (X)

15.4 If yes, give full and complete information relating thereto:

¹ Old Custodian	² New Custodian	³ Date of Change	⁴ Reason

15.5 Identifiy all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

¹ Central Registration Depository	² Name(s)	³ Address

GENERAL INTERROGATORIES
(continued)

PART 2
PROPERTY AND CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

Yes () No () N/A (X)
2.

Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation.

Yes () No (X)
- 3.1

Have any of the reporting entity's primary reinsurance contracts been cancelled?

Yes () No (X)
- 3.2

If yes, give full and complete information thereto
.....
.....
.....
- 4.1

Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?

Yes () No (X)
- 4.2

If yes, complete the Discount Schedule.

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	4,908,779	5,095,231	5,127,474	
2. Increase (decrease) by adjustment	62,919	31,395	4,927,844	
3. Cost of acquired				4,908,779
4. Cost of additions to and permanent improvements	123,533	848		
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	5,095,231	5,127,474	10,055,318	4,908,779
9. Total valuation allowance				
10. Subtotal (Line 8 plus Line 9)	5,095,231	5,127,474	10,055,318	4,908,779
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	5,095,231	5,127,474	10,055,318	4,908,779

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest				
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisition				
3. Accrual of discount and mortgage interest paid				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period				
10. Total valuation allowance				
11. Subtotal (Line 9 plus Line 10)				
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

Description	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term investments				
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisition				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period				
10. Total valuation allowance				
11. Subtotal (Line 9 plus Line 10)				
12. Total nonadmitted amounts				
13. Statement value of long term invested assets at end of current period				

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
BONDS								
1. Class 1	61,909,846				60,035,312	61,909,846	57,455,935	
2. Class 2	3,357,271				4,890,993	3,357,271	8,559,004	
3. Class 3	499,208					499,208	4,497,372	
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	65,766,325				64,926,305	65,766,325	70,512,311	
PREFERRED STOCK								
8. Class 1	5,690,460			(2,101,720)	5,147,314	5,690,460	3,588,505	
9. Class 2	1,203,760	586,928		1,719,872	1,186,720	1,203,760	3,510,560	
10. Class 3	199,600		199,600	507,040	198,480	199,600	507,040	
11. Class 4								
12. Class 5								
13. Class 6	9,280		9,280			9,280		
14. Total Preferred Stock	7,103,100	586,928	208,880	125,192	6,532,514	7,103,100	7,606,105	
15. Total Bonds and Preferred Stock	72,869,425	586,928	208,880	125,192	71,458,819	72,869,425	78,118,416	

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	11,310,441	X X X	11,310,441	35,656	

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book / adjusted carrying value, beginning of period	15,599,284	13,440,526	8,603,804	9,430,808
2. Cost of short-term investments acquired	(2,158,758)	(4,836,722)	2,706,637	6,168,476
3. Increase (decrease) by adjustment				
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments				
7. Book / adjusted carrying value, current period	13,440,526	8,603,804	11,310,441	15,599,284
8. Total valuation allowance				
9. Subtotal (Line 7 plus Line 8)	13,440,526	8,603,804	11,310,441	15,599,284
10. Total nonadmitted amounts				
11. Statement value (Line 9 minus Line 10)	13,440,526	8,603,804	11,310,441	15,599,284
12. Income collected during period	60,432	46,077	35,656	437,330
13. Income earned during period	51,016	64,167	56,535	440,365

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	X X X						X X X		X X X	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	X X X						X X X		X X X	
7. Ending Inventory										

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.		1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	Yes	104,322	5,167,114	514,783	127,868	1,465,579	1,264,267
2. Alaska	AK	Yes	90,292	109,146	10,445	9,020		6,100
3. Arizona	AZ	Yes	696,816	417,583	356,202	121,672	142,768	189,027
4. Arkansas	AR	Yes	36,142	558,091	47,285	352,372	150,325	37,760
5. California	CA	Yes	6,328,566	7,870,944	3,648,637	1,208,870	5,363,744	3,514,414
6. Colorado	CO	Yes	293,188	976,969	77,223	104,250	113,380	212,125
7. Connecticut	CT	Yes	2,005,360	2,626,073	1,240,644	1,300,278	2,081,344	855,391
8. Delaware	DE	Yes	264,393	163,719	40,299	46,920	101,500	132,902
9. District of Columbia	DC	Yes	(6,558)			15,992		
10. Florida	FL	Yes	5,455,288	5,203,396	2,119,341	2,977,429	2,453,506	1,514,681
11. Georgia	GA	Yes	972,375	1,168,761	200,458	81,208	593,161	76,275
12. Hawaii	HI	Yes	13,651,732	11,600,411	3,459,136	2,789,064	4,273,866	3,504,220
13. Idaho	ID	Yes	247,948	344,244	258,639	32,221	508,133	403,100
14. Illinois	IL	Yes	1,395,359	1,065,407	608,628	605,573	2,972,683	926,045
15. Indiana	IN	Yes	1,286,995	925,041	571,450	442,293	891,184	902,869
16. Iowa	IA	Yes	526,221	572,102	101,659	100,506	87,989	51,079
17. Kansas	KS	Yes	277,067	111,188	100,413	58,975	76,800	11,500
18. Kentucky	KY	Yes	455,977	213,433	11,759	41,182	60,501	30,000
19. Louisiana	LA	Yes	1,395,004	1,226,432	658,683	242,504	1,247,904	702,807
20. Maine	ME	Yes	406,134	6,354	6,093		16,000	
21. Maryland	MD	Yes	861,419	439,793	97,345	237,125	520,108	145,296
22. Massachusetts	MA	Yes	2,586,140	2,833,658	447,743	149,464	577,913	294,076
23. Michigan	MI	Yes	3,596,600	2,360,455	508,583	267,776	1,095,204	292,242
24. Minnesota	MN	Yes	2,563,865	480,713	167,516	590,742	279,825	217,455
25. Mississippi	MS	Yes	313,986	136,454	246,193	47,337	57,555	16,484
26. Missouri	MO	Yes	840,288	1,198,948	383,933	199,448	345,945	129,503
27. Montana	MT	Yes	1,007,617	1,121,876	191,443	182,782	644,134	81,302
28. Nebraska	NE	Yes	1,993,098	598,526	331,854	104,064	865,185	626,506
29. Nevada	NV	Yes	213,672	19,858	89,943	153,200	433,202	194,297
30. New Hampshire	NH	Yes	628,585	172,388	41,504		26,770	
31. New Jersey	NJ	Yes	2,239,156	1,684,242	586,737	508,698	463,622	394,795
32. New Mexico	NM	Yes	160,678	186,193	200,201	234,397	660,443	579,755
33. New York	NY	Yes	4,076,657	3,096,386	1,132,261	750,090	2,713,337	2,219,473
34. North Carolina	NC	Yes	4,740,497	2,748,826	825,572	871,006	1,359,396	224,501
35. North Dakota	ND	Yes	37,001	41,049	5,816			1
36. Ohio	OH	Yes	3,240,871	2,063,025	848,328	484,133	1,425,066	432,735
37. Oklahoma	OK	Yes	850,206	572,462	228,501	160,785	75,726	85,687
38. Oregon	OR	Yes	485,302	749,808	443,871	239,790	115,240	672,234
39. Pennsylvania	PA	Yes	4,733,788	1,331,379	959,602	751,920	1,486,472	714,768
40. Rhode Island	RI	Yes	8,367	32,438	1,890			
41. South Carolina	SC	Yes	839,005	573,535	188,875	132,510	213,051	19,963
42. South Dakota	SD	Yes	119,182	86,804	18,609	24,189		26,302
43. Tennessee	TN	Yes	1,537,138	775,315	157,080	799,513	139,353	101,103
44. Texas	TX	Yes	3,158,363	211,174	131,676	386,073	196,561	49,058
45. Utah	UT	Yes	797,650	761,194	144,965	62,747	114,210	386,303
46. Vermont	VT	Yes	132,836	142,368	1,577	34,798		5,000
47. Virginia	VA	Yes	2,963,082	373,086	565,571	200,915	986,703	220,010
48. Washington	WA	Yes	1,263,818	1,119,829	365,355	251,822	470,567	325,535
49. West Virginia	WV	Yes	258,469	41,413	11,892		34,400	
50. Wisconsin	WI	Yes	1,274,461	579,852	108,617	51,532	81,161	8,047
51. Wyoming	WY	Yes		18,140				
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate Other Alien	OT	X X X						
58. Totals	(a)	51	83,404,418	66,877,595	23,464,830	18,535,053	37,981,516	22,796,993
DETAILS OF WRITE-INS								
5701.		X X X						
5702.		X X X						
5703.		X X X						
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X						
5799. TOTALS (Lines 5701 through 5703 plus Line 5798)(Line 57 above)		X X X						

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY

PART 1 – ORGANIZATIONAL CHART

	<u>FEIN Number</u>	<u>NAIC Co. Code</u>	<u>Domiciliary State</u>
AMERICAN FINANCIAL GROUP, INC .	31-1544320		
AFC HOLDING COMPANY	31-1422526		
AMERICAN FINANCIAL CORPORATION	31-0624874		
Dixie Terminal Corporation	31-0823725		
One East Fourth, Inc.	31-0686194		
American Premier Underwriters, Inc.	23-6000765		
GAI (Bermuda) Ltd. (Bermuda)			
GAI Insurance Company, Ltd. (Bermuda)*			
Pennsylvania Company	51-6001624		
Atlanta Casualty Company*	58-1132392	21792	OH
American Premier Insurance Company*	31-1287689	37001	IN
Atlanta Casualty Group, Inc.	58-1293110		
Atlanta Reserve Insurance Company*	31-1627506	10968	OH
Atlanta Specialty Insurance Company*	42-1019055	31925	OH
Penn Central U.K. Limited (United Kingdom)			
Insurance (GB) Limited (United Kingdom)*			
Infinity Insurance Company*	31-0943862	22268	IN
Infinity National Insurance Company*	31-1358834	10068	IN
Infinity Select Insurance Company*	31-1333017	20260	IN
Leader Insurance Company*	34-0927698	11738	OH
Leader Preferred Insurance Company*	34-1785809	10195	OH
Leader Specialty Insurance Company*	34-1767787	10061	IN
TICO Insurance Company*	75-1227771	39497	OH
Republic Indemnity Company of America*	95-2801326	22179	CA
Republic Indemnity Company of California*	31-1054123	43753	CA
Windsor Insurance Company*	58-1806189	12599	IN
American Deposit Insurance Company*	73-0772113	16802	OK
Coventry Insurance Company*	31-1277903	35211	OH
El Aguila Compañía de Seguros, S.A. de C.V. (Mexico)*			
Moore Group Inc.	58-1080659		
Regal Insurance Company*	58-1806192	38873	IN
Premier Lease & Loan Services Insurance Agency, Inc.	91-1242743		
Great American Holding, Inc.			
Great American Security Insurance Company*	31-1209419	31135	OH
Great American Spirit Insurance Company*	31-1237970	33723	IN
Great American Insurance Company*	31-0501234	16691	OH
AmericanEmpire Surplus Lines Insurance Company*	31-0912199	35351	DE
American Empire Insurance Company*	31-0973761	37990	OH
FidelityExcess and Surplus Insurance Company*	22-2824607	12203	OH
Brothers Property Corporation	59-2840291		
FCIA Management Company, Inc.	13-3628555		

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

GAI Warranty Company	31-1753938		
Great American Alliance Insurance Company*	95-1542353	26832	OH
Great American Assurance Company*	15-6020948	26344	OH
GreatAmerican Contemporary Insurance Company*	36-4079497	10646	OH
Great American Custom Insurance Services, Inc.	31-1070712		
Great American E & S Insurance Company*	31-0954439	37532	DE
Great American Fidelity Insurance Company*	31-1036473	41858	DE
Great American Insurance Company of New York*	13-5539046	22136	NY
Great American Lloyd's Insurance Company*@	31-0974853	38024	TX
Great American Protection Insurance Company*	31-1288778	38580	IN
GreatTexas County Mutual Insurance Company*@	43-6030348	13820	TX
Mid-Continent Casualty Company*	73-0556513	23418	OK
Mid-Continent Insurance Company*	73-1406844	15380	OK
Oklahoma Surety Company*	73-0773259	23426	OK
National Interstate Corporation	34-1607394		
Hudson Indemnity, Ltd. (Cayman Islands)*			
National Interstate Insurance Company*	34-1607395	32620	OH
National Interstate Insurance Company of Hawaii, Inc.*	99-0345306	11051	HI
PLLS Canada Insurance Brokers Inc. (Canada)			
Pointe Apartments, Inc.	41-1752820		
Transport Insurance Company*	75-0784127	33014	OH
Worldwide Insurance Company*	39-1341441	26050	OH
WorldwideDirect Auto Insurance Company*	61-6027355	20133	OH
Worldwide Casualty Insurance Company*	61-0983091	39896	OH
Great American Financial Resources, Inc.	06-1356481		
AAG Holding Company, Inc.	31-1475936		
Great American Life Insurance Company*	13-1935920	63312	OH
American Retirement Life Insurance Company*	59-2760189	88366	OH
AnnuityInvestors Life Insurance Company*	31-1021738	93661	OH
Consolidated Financial Corporation	36-3383108		
GreaAmerican Life Assurance Company*	95-2496321	62200	OH
Great American Life Insurance Company of New York*	13-1996152	67288	NY
LoyaAmerican Life Insurance Company*	63-0343428	65722	OH
ManhattanNational Life Insurance Company*	45-0252531	67083	IL
UnitedTeacher Associates, Ltd.	74-2180806		
United Teacher Associates Insurance Company*	58-0869673	63479	TX
Great American Life Assurance Company of Puerto Rico*	66-0258488	73814	PR

*Denotes Insurer
@ Denotes company which is affiliated but not owned

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril	1,016,220	215,355	21.2	29.6
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	453,037			
10. Financial guaranty				
11.1 Medical malpractice-occurrence				
11.2 Medical malpractice-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	3,085,460	(413,122)	(13.4)	22.8
17.1 Other liability-occurrence	2,859,436	(249,036)	(8.7)	27.6
17.2 Other liability-claims made				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	1,963,329	2,284,450	116.4	73.2
19.3, 19.4 Commercial auto liability	44,336,669	21,508,095	48.5	57.6
21. Auto physical damage	18,558,383	8,274,713	44.6	47.8
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business				
34. TOTALS	72,272,534	31,620,455	43.8	52.3
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)				

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril	384,212	1,106,800	907,401
6. Mortgage guaranty			
8. Ocean marine	143,659	409,983	
9. Inland marine			
10. Financial guaranty			
11.1 Medical malpractice-occurrence			
11.2 Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	926,516	3,283,408	2,956,828
17.1 Other liability-occurrence	1,093,709	3,752,484	2,579,969
17.2 Other liability-claims made			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	620,695	2,057,358	2,135,846
19.3, 19.4 Commercial auto liability	13,530,691	51,587,461	41,202,556
21. Auto physical damage	6,409,846	21,206,924	17,094,995
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business			
34. TOTALS	23,109,328	83,404,418	66,877,595
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)			

PART 3 (000 Omitted)
LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Prior Year- End Known Case Loss and LAE Reserves	Prior Year- End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves(a) (Cols. 1 plus 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 plus 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves(b) (Cols. 7 plus 8 plus 9)	Prior Year- End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 plus 7 minus Col. 1)	Prior-Year- End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 plus 8 plus 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency(c) (Cols. 11 plus 12)
1. 1999 + Prior	4,480	4,125	8,605	1,818	4	1,822	4,521	46	2,562	7,129	1,859	(1,513)	346
2. 2000	5,509	3,386	8,895	1,914	35	1,949	3,539	93	4,241	7,873	(56)	983	927
3. Subtotals 2000 + prior	9,989	7,511	17,500	3,732	39	3,771	8,060	139	6,803	15,002	1,803	(530)	1,273
4. 2001	11,552	16,524	28,076	8,501	413	8,914	8,154	585	9,892	18,631	5,103	(5,634)	(531)
5. Subtotals 2001 + prior	21,541	24,035	45,576	12,233	452	12,685	16,214	724	16,695	33,633	6,906	(6,164)	742
6. 2002	X X X	X X X	X X X	X X X	10,214	10,214	X X X	9,948	15,182	25,130	X X X	X X X	X X X
7. Totals	21,541	24,035	45,576	12,233	10,666	22,899	16,214	10,672	31,877	58,763	6,906	(6,164)	742
8. Prior Year- End's Surplus As Regards Policy- holders	20,530										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 32.1 %	2. (25.6)%	3. 1.6 %
													Col. 13 , Line 7 Line 8
													4. 3.6 %

(a) Should Equal Prior Year-End Annual Statement; Page 3, Column 1, Lines 1 plus 3
(b) Should Equal Quarterly Statement Page 3, Column 1, Lines 1 and 3
(c) Should Also Equal Columns 6 plus 10 less Column 3 for Lines A through E only

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, Your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

Yes

EXPLANATION:

.....

BARCODE:

Document Identifier 470:

2. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?

No

EXPLANATION:

.....

BARCODE:

2. Document Identifier 490:



3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

No

EXPLANATION:

.....

BARCODE:

3. Document Identifier 450:



SCHEDULE D - PART 3

Show All Long-term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
Bonds - U.S. Governments								
3136F1-2K-5	FANNIE MAE	07/18/2002	MERRILL LYNCH		1,006,875	1,000,000	(3,500)	1
31331L-2R-8	FEDERAL FARM CREDIT BANKS	07/18/2002	MERRILL LYNCH		1,009,688	1,000,000	(2,662)	1
3133MB-PH-1	FEDERAL HOME LOAN MTG CORP DEB	07/24/2002	NATIONAL FINANCIAL SERVICE CORP		530,520	500,000	(6,045)	1
912810-FP-8	U.S. TREASURY BOND	08/07/2002	NATIONAL FINANCIAL SERVICE CORP		1,019,844	1,000,000	724	1
912828-AH-3	U.S. TREASURY NOTE	08/15/2002	NATIONAL FINANCIAL SERVICE CORP		251,719	250,000		1
0399999	Subtotal - Bonds - U.S. Governments				3,818,646	3,750,000	(11,483)	
Bonds - Political Subdivisions of States, Territories and Possessions								
050555-LP-4	AUBURN NY CITY SCH DIST	08/13/2002	MERRILL LYNCH		476,781	475,000		1
059851-GH-2	BANDERA INDEPENDENT SCHOOL DIST GO	09/05/2002	CONSTITUTION CAPITAL		446,323	430,000	(2,329)	1
150519-V8-6	CEDAR RAPIDS IOWA GO	09/10/2002	PAINE WEBBER		499,975	500,000	(500)	1
235218-XC-3	DALLAS TEXAS GO	08/16/2002	NATIONAL FINANCIAL SERVICES CORP		505,000	500,000	(64)	1
283497-VX-0	EL PASO CNTY TEX GO	08/07/2002	NATIONAL FINANCIAL SERVICES CORP		983,385	975,000	(2,532)	1
403755-RP-8	WINNETT CNTY GA SCH DIST	08/15/2002	PAINE WEBBER		506,860	500,000	(875)	1
49474E-AT-0	KING CNTY WASH GO	08/15/2002	NATIONAL FINANCIAL SERVICES CORP		514,070	500,000	(2,903)	1
539770-GW-1	LOCKHART INDEPENDENT SCHOOL DIST	09/15/2002	CONSTITUTION CAPITAL		515,665	500,000	(2,708)	1
581663-H5-3	MCKINNEY TEX INDPT SCH DIST	08/27/2002	NATIONAL FINANCIAL SERVICES CORP		1,011,580	1,000,000	(5,250)	1
586200-GM-3	MEMPHIS TENN SAN SER SYS	08/16/2002	PAINE WEBBER		395,330	385,000	(2,310)	1
586200-GM-3	MEMPHIS TENN SAN SER SYS	09/03/2002	PAINE WEBBER		513,390	500,000	(4,133)	1
717880-Z3-5	PHILADELPHIA, PA SCHOOL DIST GO	09/27/2002	NATIONAL FINANCIAL SERVICES CORP		1,291,381	1,300,000	(28,600)	1
727193-7A-6	PLANO TEX INDPT SCH DIST	09/03/2002	NATIONAL FINANCIAL SERVICES CORP		519,060	500,000	(12,639)	1
795608-KN-7	SALT LAKE CITY UTAH SCH DIST	08/06/2002	NATIONAL FINANCIAL SERVICES CORP		658,145	650,000	1,918	1
792895-GY-4	ST PAUL MINN INDPT SCHOOL DIST GO	09/26/2002	NATIONAL FINANCIAL SERVICESCORP		520,470	500,000	(1,736)	1
2499999	Subtotal - Bonds - Political Subdivisions of States, Territories and Possessions				9,357,415	9,215,000	(64,662)	
Bonds - Industrial and Miscellaneous								
23820#-AA-4	DATTCO LOAN	08/02/2002	PRIVATE PLACEMENT		1,671,554	1,671,554		3
4599999	Subtotal - Bonds - Industrial and Miscellaneous				1,671,554	1,671,554		
6099997	Subtotal - Bonds - Part 3				14,847,615	14,636,554	(76,144)	
6099999	Subtotal - Bonds				14,847,615	14,636,554	(76,144)	
Preferred Stock - Public Utilities								
172474-20-7	CINERGY CORP CVT PFD 9.50%	08/28/2002	NATIONAL FINANCIAL SERVICES	4,000.000	225,920	200,000		2
872375-20-9	TECO ENERGY INC CVT PFD 9.50%	09/30/2002	NATIONAL FINANCIAL SERVICES	16,000.000	361,009	400,000		2
6199999	Subtotal - Preferred Stock - Public Utilities				586,929			
6599997	Subtotal - Preferred Stock - Part 3				586,929			
6599999	Subtotal - Preferred Stock				586,929			
Common Stock - Banks, Trust and Insurance Companies								
026874-10-7	AMERICAN INTL GROUP INC COM	07/29/2002	MERRILL LYNCH	200.000	10,038			L
160903-10-0	CHARTER ONE FINL INC COM	07/26/2002	MCDONAL & CO. SECURITIES INC.	500.000	14,670			L
6799999	Subtotal - Common Stock - Banks, Trust and Insurance Companies				24,708			

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

SCHEDULE D - PART 3

Show All Long-term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
Common Stock - Industrial and Miscellaneous								
302316-10-2	... EXXON MOBIL CORP COM	07/26/2002	MCDONALD & CO. SECURITIES INC.	500.000	15,650			L
539830-10-9	... LOCKHEED MARTIN CORP COM	08/26/2002	MCDONALD & CO. SECURITIES INC.	800.000	50,688			L
713448-10-8	... PEPSICO INC COM	08/05/2002	MERRILL LYNCH	300.000	12,676			L
6899999	Subtotal - Common Stock - Industrial and Miscellaneous				79,014			
Common Stock - Parent, Subsidiaries and Affiliates								
	NATIONAL INTERSTATE CORPORATION	09/16/2002	GABRIEL, INC.	12,550.000	3,589,300			NR
6999999	Subtotal - Common Stock - Parent, Subsidiaries and Affiliates				3,589,300			
7099997	Subtotal - Common Stock - Part 3				3,693,022			
7099999	Subtotal - Common Stock				3,693,022			
7199999	Subtotal - Preferred and Common Stock				4,279,951			
7299999	TOTALS				19,127,566		(76,144)	

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE National Interstate Insurance Company

SCHEDULE D - PART 4

Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identif- ication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)
Bonds - U.S. Governments																
31331L-WF-1	FEDERAL FARM CR BANKS	08/12/2002	NATIONAL FINANCIAL SERVICES		1,047,500	1,000,000.00	1,013,438	1,010,831				36,669	36,669	17,700		1
3133FO-EP-0	FEDERAL HOME LOAN MTG CORP DEB	08/23/2002	CALLED		500,000	500,000.00	500,000	500,000						30,000		1
912810-FP-8	U.S. TREASURY BOND	08/12/2002	NATIONAL FINANCIAL SERVICES		1,028,438	1,000,000.00	1,019,844	1,019,844				8,594	8,594	742		1
912827-G5-5	U.S. TREASURY NOTE	08/15/2002	MATURED		250,000	250,000.00	246,839							7,969		1
0399999	Subtotal - Bonds - U.S. Governments				2,825,938	2,750,000.00	2,780,121	2,780,675				45,263	45,263	56,411		
Bonds - States, Territories and Possessions																
451908-6P-7	ILLINOIS DEV FIN AUTH REV	09/13/2002	CONSTITUTION CAPITAL		375,529	350,000.00	359,583	355,426				20,103	20,103	21,455		1
575915-6N-8	MASSACHUSETTS ST HSG FIN AGY	07/15/2002	PARTIAL REDEMPTION		35,000	35,000.00	34,738	34,738				263	263			1
575915-6N-8	MASSACHUSETTS ST HSG FIN AGY	08/28/2002	PAINE WEBBER		552,420	540,000.00	535,950	535,950				16,470	16,470	23,147		1
1799999	Subtotal - Bonds - States, Territories and Possessions				962,949	925,000.00	930,271	926,114				36,836	36,836	44,603		
Bonds - Political Subdivisions of States, Territories and Possessions																
145814-HA-0	CARSON CITY NEV SCH DIST GO	09/18/2002	CONSTITUTION CAPITAL		778,508	750,000.00	758,378	753,923				24,584	24,584	33,000		1
746173-DP-5	PURDUE UNIV IND REV	09/18/2002	MERRILL LYNCH		1,302,315	1,185,000.00	1,275,036	1,261,053				41,262	41,262	53,654		1
2499999	Subtotal - Bonds - Political Subdivisions of States, Territories and Possessions				2,080,823	1,935,000.00	2,033,414	2,014,976				65,846	65,846	86,654		
Bonds - Industrial and Miscellaneous																
16423A-AN-3	BANK ONE CORP	09/03/2002	CONSTITUTION CAPITAL		540,875	500,000.00	500,500	500,440				40,435	40,435	21,146		1
073902-AZ-1	BEAR STEARNS CO	09/13/2002	CONSTITUTION CAPITAL		547,895	500,000.00	528,555	524,803				23,092	23,092	26,063		1
16161N-AN-0	CHASE MANHATTAN CORP MED TER NOTE	08/28/2002	PAINE WEBBER		492,500	500,000.00	464,984	472,623				19,877	19,877	16,000		1
45920Q-BE-3	IBM CORP	08/20/2002	REDEMPTION		250,000	250,000.00	250,000	250,000						59,068		1
493267-AA-6	KEY CORP NEW	08/07/2002	NATIONAL FINANCIAL SERVICES CORP		1,062,110	1,000,000.00	1,033,700	1,029,863				32,247	32,247	22,830		1
79548G-AJ-6	SALOMON SMITH BARNEY MED TERM NT SER J	07/15/2002	REDEMPTION		500,000	500,000.00	500,000	500,000						32,333		1
94975C-AF-4	WELLS FARGO	08/28/2002	NATIONAL FINANCIAL SERVICES CORP		1,008,596	950,000.00	969,694	967,477				41,119	41,119	22,264		1
4599999	Subtotal - Bonds - Industrial and Miscellaneous				4,401,976	4,200,000.00	4,247,433	4,245,206				156,770	156,770	199,704		
6099997	Subtotal - Bonds - Part 4				10,271,686	9,810,000.00	9,991,238	9,966,971				304,714	304,714	387,372		
6099999	Subtotal - Bonds				10,271,686	9,810,000.00	9,991,238	9,966,971				304,714	304,714	387,372		
Preferred Stock - Industrial and Miscellaneous																
22081K-20-0	CORTS TRUST FOR WORLD COM PFD 7.60%	09/13/2002	CONSTITUTION CAPITAL	8,000.000	11,840	200,000.00	200,000	200,000				(188,160)	(188,160)		7,600	L
29357P-20-1	ENRON CAP TRUST II PFD 8.125%	09/18/2002	MERRILL LYNCH	8,000.000	4,960	200,000.00	208,500	200,000				(195,040)	(195,040)			L
6399999	Subtotal - Preferred Stock - Industrial and Miscellaneous				16,800		408,500	400,000				(383,200)	(383,200)		7,600	
6599997	Subtotal - Preferred Stock - Part 4				16,800		408,500	400,000				(383,200)	(383,200)		7,600	
6599999	Subtotal - Preferred Stock				16,800		408,500	400,000				(383,200)	(383,200)		7,600	
Common Stock - Industrial and Miscellaneous																
98157D-10-6	WORLDCOM INC-WORLDCOM GROUP COM	09/18/2002	PAINE WEBBER	11,000.000	1,309		24,081	24,081				(22,772)	(22,772)			L
6899999	Subtotal - Common Stock - Industrial and Miscellaneous				1,309		24,081	24,081				(22,772)	(22,772)			
7099997	Subtotal - Common Stock - Part 4				1,309		24,081	24,081				(22,772)	(22,772)			
7099999	Subtotal - Common Stock				1,309		24,081	24,081				(22,772)	(22,772)			
7199999	Subtotal - Preferred and Common Stock				18,109		432,581	424,081				(405,972)	(405,972)		7,600	
(a) For all common stock bearing the NAIC designation 'U' provide: the number of such issues																

(a) For all common stock bearing the NAIC designation 'U' provide: the number of such issues

SCHEDULE D - PART 4

Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identif- ication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)
7299999	TOTALS				10,289,795		10,423,819	10,391,052				(101,258)	(101,258)	387,372	7,600	

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8			
Depository					Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	*
Name	Location and Supplemental Information										
Open Depositories											
KeyBank	Cleveland, Ohio				2,244,243	599,724	(1,863,425)				
National City Bank	Cleveland, Ohio				(27,323)	(27,323)	(27,323)				
First Hawaiian Bank	Honolulu, Hawaii				540,103	426,033	387,303				
Security of Omaha	Omaha, Nebraska				112,263	52,753	46,249				
Regions Bank	Little rock, Arkansas	4.047			200,000	200,000	200,000				
BankOne	Baton Rouge, Louisiana	5.200			20,000	20,000	20,000				
0199999	TOTAL - Open Depositories				3,089,286	1,271,187	(1,237,196)				
0399999	TOTAL Cash on Deposit				3,089,286	1,271,187	(1,237,196)				
0499999	Cash in Company's Office				150	150	150				
0599999	TOTALS				3,089,436	1,271,337	(1,237,046)				